

The New York, Susquehanna and Western Railway Corporation

1 Railroad Avenue
Cooperstown, NY 13326

607-547-2555

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www.nysw.com

September 5, 2006



Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423

RECORDATION NO. 18825-A FILED

SEP 14 '06

4-55 PM

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

Enclosed herewith is an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Partial Release of Collateral, a secondary document, dated June 30, 2006. The primary document to which this is connected is recorded under Recordation No. 18825.

The names and addresses of the parties to the document are as follows:

Secured Party:	Manufacturers and Traders Trust Company One Fountain Plaza Buffalo, NY 14203
Debtor:	Delaware Otsego Corporation 1 Railroad Avenue Cooperstown, NY 13326
Grantors:	The New York Susquehanna and Western Railway Corporation, Delaware Otsego Equipment Corporation, Staten Island Railway Corporation, and Susquehanna Bulk Systems, Inc. 1 Railroad Avenue Cooperstown, NY 13326

A description of the equipment covered by the document follows:

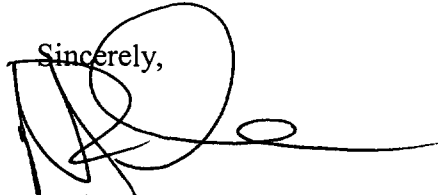
One (1) EMD Model SW9 Locomotive bearing road number NYSW 120
Two (2) EMD Model E-9 Locomotives bearing road numbers NYSW 2400 and
NYSW 2402

A fee of \$34 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to the undersigned.

A short summary of the document to appear in the index follows:

Release of Locomotives NYSW 120, NYSW 2400 and NYSW 2402 from lien granted in Document filed under Recordation Number 18825.

Sincerely,

A handwritten signature in black ink, appearing to be 'Nathan R. Fenno', with a long horizontal flourish extending to the right.

Nathan R. Fenno
Executive Vice President-General Counsel

NRF:ksp
Enc.

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SURFACE TRANSPORTATION BOARD

RECEIVED
JUL 5 2006
LAW DEPT.

PARTIAL RELEASE OF COLLATERAL

by and between

MANUFACTURERS AND TRADERS TRUST COMPANY

and

DELAWARE OTSEGO CORPORATION
THE NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION
DELAWARE OTSEGO EQUIPMENT CORPORATION
STATEN ISLAND RAILWAY CORPORATION
SUSQUEHANNA BULK SYSTEMS, INC.



Recordation No.: 18825-__

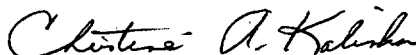
Dated: June 30, 2006

Record and return to: Nathan R. Fenno
Executive Vice President – General Counsel
The New York, Susquehanna and Western Railway Corporation
1 Railroad Avenue
Cooperstown, NY 13326

Telephone No.: 607-547-2555 x236

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

On the 30th day of June, 2006, before, the undersigned, a Notary Public in and for said State, personally appeared Christopher Kawa, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual(s), or the person(s) upon behalf of which the individual acted, executed the instrument.

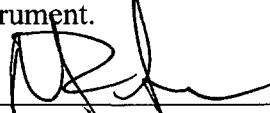


Notary Public - State of New York
My Commission Expires 6-1-2007

CHRISTINE A. KALINKA
No. 01KA6025750
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 06/01/2007

STATE OF NEW YORK)
) ss.:
COUNTY OF OTSEGO)

On the 30 day of June, 2006, before, the undersigned, a Notary Public in and for said State, personally appeared WALTER G. RICH, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual(s), or the person(s) upon behalf of which the individual acted, executed the instrument.



Notary Public - State of New York
My Commission Expires 3-30-2007

NATHAN R. FERRO
Notary Public, State of New York
Otsego County, No. 4786561
My Term Expires 3/30/2007